

The Odisha Gazette

**EXTRAORDINARY
PUBLISHED BY AUTHORITY**

No. 1172, CUTTACK, THURSDAY MAY 8, 2025 / BAISAKHA 18, 1947

LAW DEPARTMENT

NOTIFICATION

The 8th May, 2025

S.R.O No.291/2025— In exercise of the powers conferred by Section 18 of the Legal Services Authorities Act, 1987 (39 of 1987), the accounts of the Odisha State Legal Services Authority for the year 2021-22 has been audited by the O/o. Principal Accountant General Odisha , Bhubaneswar and the report thereto of the Comptroller and Auditor General of India is hereby published for being laid before the Odisha Legislative Assembly.

[No.7698—LSA-62//2024/L.]

By Order of the Governor

MANAS RANJAN BARIK

Principal Secretary to Government

SEPARATE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA ON THE ACCOUNTS OF ODISHA STATE LEGAL SERVICES AUTHORITY, CUTTACK FOR THE YEAR ENDED DATED 31st MARCH 2022.

We have audited the attached Balance Sheet of Odisha State Legal Services Authority (OSLSA), Cuttack as on dated 31st March, 2022 and the Income & Expenditure Accounts/Receipts and Payment Account for the year ended on that date under Section 19(2) of the Comptroller and Auditor General's DPC (Duties, Powers and Conditions of Service) Act, 1971 read with Section 18(2) of the Legal Service Authorities (LSA) Act, 1987. These financial Statements include the accounts of thirty (30) District Legal Service Authorities (DLSAs), eighty-nine (89) Taluk Services Committees (TLSCs) and one High Court Legal Services Committee (HLSC). These financial statements are the responsibility of the OSLSA's management. Our responsibility is to express an opinion on these financial statements based on our audit.

This Separate Audit Report contains the comments of the Comptroller and Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards and disclosure norms, etc. audit observation on financial transactions with regards to compliance with the Law, Rules and Regulations (Propriety and Regulatory) and efficiency-*cum*-performance aspects etc., if any, are reported through Inspection Reports / CAG's Audit Reports separately.

We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion. Based on our audit, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and beliefs were necessary for the purpose of our audit.

- ii. The Balance Sheet and Income & Expenditure Account / Receipt & Payment Account dealt with by this report have been drawn up in the format prescribed by the Government of India in consultation with the Comptroller and Auditor General (CAG) of India required under Section 18 of Chapter-V of the Legal Services Authorities Act, 1987.
- iii. In our opinion, proper books of accounts and other relevant records have been maintained by OSLSA, Cuttack as required under Section 18 of Chapter-V of the Legal Services Authorities Act, 1987 in so far as it appears from our examination of such books.
- iv. We further report that:

A. General

Other Comments

Non-adoption of Previous year Accounts:

Section 18(4) of the Legal Services Authorities Act 1987 states that ***the accounts of the Authorities, as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon, shall be forwarded annually by the Authorities to the Central Government or the State Governments, as the case may be. Further, Section 18(6) states that the State Government shall cause the accounts and the audit report received by it under sub-section(4) to be laid, as soon as may be after they are received before the State Legislature.***

As per these provisions, Odisha State Legal Services Authority (OSLSA) is required to submit its certified annual account after following due procedure to the State Government for laying before the State Legislature annually. However, the Authority has submitted its 04 year accounts i.e. from 2018-19 to 2021-22 to this office for certification. As a result, the Authority could not submit its certified annual accounts to the State Government annually, for laying before the State Legislature in accordance with the Section 18 of the Act. Hence, the Authority has not complied with the statutory requirement in accordance with the provision of the Act.

B. Grants-in-Aid

Out of the available funds of ₹ 56.18 crore (including Opening balance, Interest and receipt during the year), the organization could utilize a sum of ₹22.42 crore leaving a balance of ₹33.75 crore unutilised (after deducting **TDS**/Suspension, Surrender to Govt. /Bank charges etc.) as on dated 31st March 2022.

Further the total of expenditure (₹22,41,63,268.45/-) and closing balance (₹33,75,41,138.41/-) i.e. ₹56,17,04,406.86/- does not match with the Grand total i.e., ₹56,18,07,265.76/-. Hence, there is a mismatch of ₹1,02,858.90/-.

C. Management letter

Deficiencies which have not been included in the Audit Report have been brought to the notice of the OSLSA through a management letter issued separately for corrective action.

- v. Subject to our observations in the preceding paragraphs, we report that the Balance Sheet, Income & Expenditure Account/ Receipt & Payment Account dealt with by this report agree with the books of accounts.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in Annexure to this Audit Report give a true and fair view in conformity with accounting principles generally accepted in India.
 - a. In so far as it relates to the Balance Sheet, of the state of affairs of Odisha State Legal Services Authority (OSLSA), Cuttack as at March 2022 and,
 - b. In so far as it relates to Income & Expenditure Account of the balance being (Deficit)/Surplus of allotment carried to Schedule-1(CORPUS FUND) for the year ended on that date.

**For and on behalf of Comptroller and
Auditor General of India**

Place: Bhubaneswar

Date: 1st October, 2024

ACCOUNTANT GENERAL

Annexure-I**1. Adequacy of Internal Audit**

There is no Internal Audit Cell of the OSLSA. The Internal Audit is conducted by a Chartered Accountant appointed by the OSLSA, Cuttack who was engaged for compilation and preparation of financial statements. Internal Audit has been completed up to FY 2022-23.

2. Regularity in Payment of Statutory dues

The Statutory dues were being deposited in time and no payment in respect of statutory dues were outstanding as on dated 31st March, 2022. Further all the reports and returns including UC for FY 2021-22 were sent in time.

3. Internal Control System

Steps need to be taken to strengthen the Internal Control mechanism of the Authority due to following reasons:

- Trial Balance was not prepared during preparation of Financial Statements.
- The Fixed Assets Register was not maintained properly by OSLSA HQ. The Fixed Assets value shown in the Financial Statement as OSLSA as on dated 31st March, 2022 does not match with total value of Fixed Assets recorded in Fixed Assets Register. Further, detail list of fixed assets/ break up of block of assets has not been maintained by the management.
- Test check of District Legal Service Committee Accounts, it was observed that in four DLSAs i.e. Rayagada, Keonjhar, Jharsuguda and Sundargarh. Fixed Assets Register was not maintained in proper manner.

Deputy Accountant General/AMG-I